

Message Text

LIMITED OFFICIAL USE

PAGE 01 TOKYO 09887 011102Z
ACTION EA-12

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 EB-08
FRB-03 INR-10 NSAE-00 ICA-11 TRSE-00 XMB-02
OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15
STR-07 CEA-01 DOE-15 SOE-02 DODE-00 PA-01 /121 W
-----035190 011313Z /72

R 011051Z JUN 78
FM AMEMBASSY TOKYO
TO SECSTATE WASHDC 8395
INFO AMEMBASSY BANGKOK
AMEMBASSY JAKARTA
AMEMBASSY KUALA LUMPUR
AMEMBASSY MANILA
AMEMBASSY PARIS
AMEMBASSY RANGOON
AMEMBASSY SEOUL
AMEMBASSY SINGAPORE
AMEMBASSY TAIPEI

LIMITED OFFICIAL USE TOKYO 09887

USOECD

E.O. 11652: NA
TAGS: EGEN, EFIN, EAID, ETRD, ASEAN, JA
SUBJECT: JAPANESE AID UNTYING AND YEN CREDITS

REF: (A) STATE 131106, (B) TOKYO 5222, (C) KUALA LUMPUR
2740

1. SUMMARY. PRECISE CONDITIONS AND RESULTS OF JAPANESE
AID UNTYING ARE BECOMING KNOWN LITTLE BY LITTLE. EMBASSY
WILL CONTINUE EFFORT TO KEEP ABREAST OF THESE AND TO
REPORT THEM IN TIMELY FASHION. END SUMMARY.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 TOKYO 09887 011102Z

2. WITH RESPECT TO CONDITIONS OF UNTYING REFERRED TO
REF A, WE NOTE THAT FOR "BORROWER..TO EXPRESS STRONG
DESIRE FOR UNTIED CREDITS" WOULD BE A CONDITION
SUFFICIENT TO UNTIE BUT THAT IT IS NOT A NECESSARY ONE
UNDER THE GUIDELINES.

3. DURING ECOUNS CALL MAY 30 ON MOFA AID PLANNING

DIVISION DIRECTOR, LATTER SUPPLIED RUNDOWN OF NEW JAPANESE AID COMMITMENTS. PLEDGES WERE MADE IN APRIL 1978 TO PROVIDE 12.3 BILLION YEN LOAN COFINANCED WITH IDB TO COLOMBIAN CAUCA RIVER DEVELOPMENT PROJECT, AND TO LEND 3.6 BILLION YEN COFINANCED WITH IBRD TO MAURITANIA FOR DEVELOPMENT IRON ORE RESERVES; BOTH THESE COMMITMENTS ARE FULLY OR "GENERALLY" UNTIED. ALSO GENERALLY UNTIED IS 3.5 BILLION YEN LOAN TO PAPUA NEW GUINEA ON WHICH NOTES EXCHANGED DURING SAME MONTH. IN MAY PLEDGE MADE AT SRI LANKA DONOR GROUP MEETING FOR 5.5 BILLION YEN COMMODITY LOAN WAS UNTIED. PLEDGE MADE AT IGGI MEETING FOR 54,750 MILLION YEN IN AID TO INDONESIA, HOWEVER, REMAINS UNDETERMINED WITH RESPECT TO UNTYING. AID TO KOREA, DISCUSSED IN MAY GOJ-ROK TALKS, IS EXPECTED TO TAKE FORM OF GENERALLY UNTIED LOAN OF 21 BILLION YEN "MORE OR LESS;" BUT JAPANESE DO NOT EXPECT COMPLETE EXCHANGE OF NOTES ON THIS COMMITMENT UNTIL CONTINENTAL SHELF QUESTION IS SETTLED IN DIET, AND THEY ARE WITHHOLDING ALL DETAILS UNTIL DIET ADJOURNS. FINALLY, MAY 30 EXCHANGE OF NOTES IN CAIRO PROVIDES FOR A JAPANESE LOAN TO EGYPT OF 3,375 MILLION YEN. THIS COMPLETES A COMMITMENT MADE BY FORMER PRIME MINISTER MIKI WHEN, IN THE AFTERMATH OF THE OIL SHOCK, HE TOURED THE MIDDLE EAST AS A SPECIAL GOJ ENVOY. IN ACCORDANCE WITH THE UNDERSTANDING REACHED BETWEEN JAPANESE AND EGYPTIANS UNDER THIS COMMITMENT, THE LOAN WILL BE TIED.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 TOKYO 09887 011102Z

4. ON REPORTING OF JAPANESE AID COMMITMENTS, WE SHALL CHANGE OUR MONTHLY REPORT TO TELEGRAM FORMAT AND ADD ADDRESSEES REF A TO DISTRIBUTION. COMMITMENTS WHICH APPEAR REPRESENT SPECIAL OPPORTUNITY U.S. FOR EXPORT U.S. EQUIPMENT AND/OR SERVICES WILL BE SEPARATELY REPORTED AND REFERRED TO IN MONTHLY MESSAGE.

5. WITH RESPECT TO PROCUREMENT FOR THE FIVE ASEAN INDUSTRIAL PROJECTS WHICH JAPAN EXPECTS TO SUPPORT, MOFA OFFICIAL ASSURED ECOUNS THAT NO DECISION HAS BEEN MADE WHICH WOULD DEFINITELY SHUT DOOR ON SUBSTANTIAL U.S. PARTICIPATION, ALTHOUGH HE GAVE NO POSITIVE INDICATION THAT OUTLOOK FOR INDONESIAN UREA PLANT PROJECT FINANCING REPORTED REF B HAS CHANGED. ECOUNS NOTED THAT SYSTEM APPLIED IN MALAYSIA OF USING CONCESSIONAL JAPANESE CREDITS FOR PROJECTS IN WHICH JAPANESE CONTRACTORS ARE CHOSEN GIVES JAPANESE BIDDERS AN ADVANTAGE IN SECURING CONTRACTS. MOFA OFFICIAL REPLIED THAT MALAYSIAN CASE IS UNIQUE, AND HE ADDED THAT LOCOMOTIVE TENDER, MENTIONED REF C AND RAISED IN EARLIER MEETING BY ECOUNS, IS NOT A JAPANESE AID PROJECT NOR WAS IT RAISED DURING TOKYO ECONOMIC CO-

OPERATION TALKS WITH MALAYSIAN GOVERNMENT DELEGATION
HELD LATE IN MAY. MANSFIELD

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: UNTIED LOANS, YEN (CURRENCY)
Control Number: n/a
Copy: SINGLE
Draft Date: 01 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978TOKYO09887
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780229-0437
Format: TEL
From: TOKYO USOECD
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t197806105/aaaadmoh.tel
Line Count: 118
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 7fb5417d-c288-dd11-92da-001cc4696bcc
Office: ACTION EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 STATE 131106, 78 TOKYO 5222
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 01 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2153700
Secure: OPEN
Status: NATIVE
Subject: JAPANESE AID UNTYING AND YEN CREDITS
TAGS: EGEN, EFIN, EAID, ETRD, JA, ASEAN
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/7fb5417d-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014